SECRET.



23 August 1978

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director of Central Intelligence

Acting Deputy Director for Operations

FROM

Acting Chief, Latin America Division

SUBJECT : Request for Exception to Agency 'No Comment'

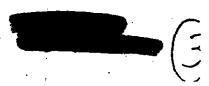
Policy Concerning DDO Activities and Relationships

1. Agency intelligence supported by overt events has established the fact that substantial efforts will be made to embroil the Agency in Chilean judicial proceedings related to the assassination of Orlando Letelier. Specifically, defendants General (Ret.) Juan Manuel CONTRERAS Sepulveda and Colonel Pedro ESPINOSA Bravo will attempt to defend themselves in the Chilean courts and press against extradition to the United States by attempting to place the blame for the murder on CIA rather than themselves. To establish their defense, counsel will allege that employment relationships existed between the CIA and Michael Vernon Townley and Cuban's named in the USG indictment, and that the assassination was carried out by Townley and the Cubans at the behest of the CIA.

2. The potential problems accruing to the USG have been discusse with representatives of the Departments of State and Justice and with U.S. Ambassador to Chile George Landau who is currently in Washington for consultation. The Ambassador, supported by the Department of State, and LA Division, believes there is an urgent need to prepare for a coordinated USG response to media allegations and possible queries concerning the Agency and the Letelier case. Queries may be received at Agency Headquarters as well as by the Ambassador in Santiago and the State Department in Washington. Hence, it is advisable that all three entities be prepared to respond singly or in concert as appropriate. Your concurrence is requested for the following factual responses which represent a departure from the traditional 'No Comment' policy concerning DDO activities and relationships. These responses are being coordinated with appropriate

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icials at the Department of State. Further, neither the Departate of Justice nor the Office of General Counsel has any problem ith legal ramifications stemming from such a statement.

3. That Michael Vernon Townley is now or was affiliated with the CIA.

CIA Office of Public Affairs:

Townley, of his own volition, initiate contact with the Agency in 1971 and expressed interest in an association with us. We did not reach an agreemen and he has never been affiliated with the Agency in any manner.

Ambassador Landau

I looked into this aspect early in the investigation and based on my consultations with Agency and Department of State officials, I am satisfied that Townley has never had any affiliation with the CIA.

Department of State

We have examined the allegation partly in response to a request from Ambassador Landau, and we are satisfied that Townley was never affiliated with CIA.

Alvin ROSS Diaz, Ignacio NOVO Sampol and Guillermo NOVO Sampol are or were jointly or individually affiliated with CIA.

CIA Office of Public Affairs:

With exception of ROSS, the Agency has never had any relationship with these persons. With ROSS, the relationship was only brief and indirect in that he was a member of the Bay of Pigs Brigade He was captured and later released In the prisoner ransoming episode. There has been no subsequent relationship withim.

Ambassador Landau and Department of State

ROSS was involved in the Bay of Pigs affair; beyond that, neither he nor any of the others has had any affiliation with the CIA.

5. That the CIA was in any way involved in the Letelier assassination.

CIA Office of Public Affairs: The Agency had no prior knowledge and was no way involved in that crime.

partment of State

CIA was not involved.

SECRET

CONCUR:

Disector ron Operations

Deputy Director of Central Intelligence

APPROVED:

ROVED:

Director of Central Intelligence

2.4/8/781 Date

2 8 AUG 1978

Date

29 Mar. 18 Date

CT: Request for Exception to Agency 'No Comment'
Policy Concerning DDO Activities and Relationships

(23 Aug. 1978)

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